

UNIFIED SCHOOL DISTRICT NO. 456
Melvorn, KS

INDEPENDENT AUDITOR'S REPORT
REGULATORY BASIS FINANCIAL STATEMENTS

JUNE 30, 2018

BRUNA AUDITING SERVICES LLC
DEREK BRUNA
CERTIFIED PUBLIC ACCOUNTANT
WASHINGTON, KANSAS

Unified School District No. 456
Melvern, Kansas

Financial Statements
For the fiscal year ended June 30, 2018

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 456
Melvern, Kansas 66510

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 456 Financial Reporting Entity, as of and for the year ended June 30, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note A to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statement, the financial statement is prepared by the Unified School District No. 456 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 456 as of June 30, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 456 as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note A.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, and schedules of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds, (Statements 2, 3, 4, and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

I also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 456 as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated December 11, 2017, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2018 (Statement 3 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2017, on the basis of accounting described in Note A.

Bruna Auditing Services LLC

 *Derek Bruna* CPA

Derek Bruna, CPA

December 10, 2018

SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
Regulatory Basis
For The Year Ended June 30, 2018

Fund	Statement Number	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	STATEMENT 1		
						Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & A/P	Ending Cash Balance
General Funds:								
General Fund	3-1	\$ 1	\$ 0	\$ 2,447,996	\$ 2,447,997	\$ 0	\$ 0	\$ 0
Supplemental General	3-2	2,284	0	697,423	670,000	29,707	0	29,707
Special Purpose Funds:								
Career & Post Secondary Ed Fund	3-3	15,000	0	203,429	187,929	30,500	0	30,500
Special Education Fund	3-4	354,699	0	361,451	466,149	250,000	0	250,000
Driver Training	3-5	6,020	0	3,952	3,708	6,264	0	6,264
Food Service Fund	3-6	40,200	0	199,420	199,620	40,000	0	40,000
Capital Outlay Fund	3-7	445,080	0	110,114	152,808	402,386	0	402,386
Professional Development Fund	3-8	19,400	0	4,555	3,951	20,004	0	20,004
Gifts and Grants Fund	3-9	14,785	0	21,780	2,927	33,639	0	33,639
Kpers Retirement Fund	3-10	0	0	215,390	215,390	0	0	0
At Risk-(K 12) Fund	3-11	11,000	0	292,885	255,885	48,000	0	48,000
Contingency Reserve Fund	3-12	261,849	0	30,000	30,000	261,849	0	261,849
Title I	3-13	0	0	77,135	77,135	0	0	0
Textbook Rental Fund	3-14	15,254	0	12,244	12,495	15,003	0	15,003
Title VI REAP	3-15	0	0	0	0	0	0	0
Title IIA	3-16	0	0	9,059	8,519	540	0	540
Rec Commission	3-17	797	0	20,379	19,278	1,898	0	1,898
Virtual Education	3-18	1,925	0	0	0	1,925	0	1,925
At Risk(4 Year Old) Fund	3-19	0	0	24,036	24,036	0	0	0
Activity Fund	4	31,127	#	57,317	54,327	34,117	0	34,117
Related Municipal Entity								
Melvorn Rec Commission	5	14,044	0	25,733	20,286	19,491	0	19,491
Total Reporting Entity (Excluding Agency)		\$ 1,293,465	\$ 0	\$ 4,814,298	\$ 4,852,440	\$ 1,195,323	\$ 0	\$ 1,195,323
Total Reporting Entity (Excluding Agency/Activity/Related)		\$ 1,188,294	\$ 0	\$ 4,707,212	\$ 4,753,791	\$ 1,141,715	\$ 0	\$ 1,141,715

Composition of Cash		Total Cash	
Investments		Less Agency Funds (Statement 4)	
Money Market Accounts	\$ 0	Op Accounts-District	1,140,215
Money Market Accounts Other	0	Op Accounts-Agency/Activity	60,506
Certificate of Deposit	0	Petty Cash	1,500
Certificate of Deposit - Bonds	0	Related Municipal Entity	19,491
		Total Cash Excluding Agency/Activity/Related Funds	1,221,712
			(26,389)
			1,195,323
			1,141,715

UNIFIED SCHOOL DISTRICT NO. 456
Melvorn, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Unified School District No. 456 is a municipal Corporation established under Kansas Statute. All USDs in Kansas are required to be audited under K.S.A. 75-1122. The District is governed by an elected seven member board. The financial statements present the financial condition and results of operation of the district. This financial statement presents USD No. 456 (the municipality) and its related municipal entity. The related municipal entity is included in the USD's reporting entity because it was created to benefit the USD and/or its constituents. The District's major operations include primary and secondary education for young people. The scope of the entity for financial reporting purposes is designed as those funds for which the District has oversight responsibility and is primarily accountable. Oversight responsibility includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds.

This report is intended solely for the information and use of the Board of Education and management of USD 456, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and Kansas State Board of Education, and should not be used for any other purposes.

The Kansas Municipal Audit and Accounting Guide will be referred to as KMAAG throughout the notes.

Basis of Presentation/Fund Description

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restricts, or limitations. The following are Regulatory Basis Fund Types:

Governmental Funds

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Fiduciary Funds:

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Related Municipal Entity:

Recreation Commission. USD No. 456 Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the USD levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift.

Basis of Accounting-KMAAG Regulatory Basis of Accounting (Formerly Statutory Basis)

The KMAAG regulatory audit requirement of K.S.A. 75-1122 applies to each individual municipality as defined in K.S.A. 75-1117. The KMAAG

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regulatory financial reporting entity is comprised of the "municipality" as defined in K.S.A. 75-1117, as a minimum, and may also include certain separate legal entities referred to as "related municipal entities" as defined by KMAAG. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

GAAP Basis Financial Statements - Minimum Requirements. GAAP basis financial statements are financial statements prepared in accordance with "Governmental Accounting and Financial Reporting Standards" as promulgated by the Governmental Accounting Standards Board (GASB). For KMAAG purposes, if GAAP basis financial statements are presented, the basic financial statements and notes must be presented at a minimum. All other supplemental schedules are optional. However, the KMAAG mandatory note disclosures (if applicable) must still be presented even though they might not otherwise be required by GAAP to be included in the notes. KMAAG does not provide an example of GAAP financial statements.

Regulatory Basis Financial Statements - Minimum Requirements. If GAAP basis financial statements are not presented, then: 1) a GAAP waiver resolution must be passed, and 2) regulatory basis financial statements including regulatory-required supplementary information, must be presented. Regulatory basis financial statements are financial statements prepared in accordance with the guidelines of KMAAG. Such financial statements are prepared on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas and prepared in accordance with the prescribed format established by KMAAG.

The regulatory basis financial statement consists of a single basic financial statement which is a summary statement containing all funds and related municipalities included in the financial reporting entity and demonstrating compliance with the cash basis law. The remainder of the required financial information to be presented is considered regulatory-required supplementary information which includes 1) a fund summary schedule containing all funds and showing compliance with the budget law for those funds required to be budgeted, 2) individual fund schedules for all funds except agency funds, with budget comparisons for those funds required to be budgeted, 3) a fund summary schedule, for agency funds only, showing cash balances and changes therein, and 4) special schedules unique to the municipality. Note: Regulatory-required supplementary information are the additional schedules that are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide and are not to be considered as required supplementary information as defined by auditing standards generally accepted in the United States of America. In addition, the KMAAG mandatory note disclosures must be presented and must include all disclosures necessary for fair presentation in accordance with the KMAAG regulatory basis framework. All other schedules that may be presented are optional.

Departure from GAAP

A waiver from the requirement to prepare and audit GAAP basis financial statements is necessary *only if* the municipality decides to present regulatory basis financial statements. A waiver is not required for financial statements that are prepared in accordance with the GAAP basis framework but include certain departures from GAAP. For example, if GAAP financial statements are presented but do not include the management discussion and analysis, this would be a departure from GAAP. However, even lacking the management discussion and analysis required supplementary information, the basic financial statements may still be presented on a GAAP basis framework, thus a waiver would not be required. The District has approved a resolution that is compliance with K.S.A. 75-1120a(c) waiving the annual for application of GAAP for the year ended 6/30/18. This waiver is completed annually and allows the District to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balance, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting

UNIFIED SCHOOL DISTRICT NO. 456
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NOTES TO FINANCIAL STATEMENTS
June 30, 2018

principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement.

Reimbursed Expenses

The purpose of these expenditures is to repay the district for amounts remitted on behalf of another party and such expenditures are exempt for the budget law under K.S.A. 79-2934. Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement. The Municipality records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

2017 Financial Data

Amounts that are shown for 2017 in the accompanying financial statements are included where practical, only to provide a basis for comparison with 2018, and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

Cash and Investments

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost. These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Time deposits are carried at cost plus accrued interest. The carrying amount of deposits is separately displayed as cash and investments.

General Fixed Assets

General fixed assets purchased are recorded as expenditures at the time of purchase, except for assets acquired with federally assisted funds. Assets of the School District are not recorded in a permanent set of records.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Bonds Payable

Bonds which are outstanding at the end of the fiscal year.

Ad Valorem Tax Revenue

The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually the determination of assessed valuation and the collections of property taxes for all political subdivisions in determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20 and distributed to the District by January 20 to help finance the current year's budget. The second half is due May 10 and distributed to the District June 5. The District Treasurer draws all available funds from the County Treasurer's Office at designated times throughout the year.

Budgetary Data

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service fund. The statutes provide for the following sequence and time table in the adoption of the annual operating

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budget:

- Preparation of the budget for the succeeding calendar year on or before August 1st.
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increase in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. Delinquent taxes are assessed interest at 9% per annum. This interest is retained by the County.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budget receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditures authority) lapse at year-end.

A legal operating budget is not required for trust funds, agency funds, and the following special revenue funds: Textbooks and Student Materials, Athletic Gate Receipts and other School Agency/Activity Funds, Fee and User Charges/Clearing Accounts, Contingency Reserve, Title IV, Title IIA, Title I, and Federal Funds.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Inventories and prepaid expenses which benefit future periods are recorded as an expenditures during the year of purchase. For disclosure purposes, material inventories would be reported as an asset offset by a reserve. The district had no material inventories.

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of revenues, expenditures, and fund balances. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance With Kansas Statutes and Other Finance Related Legal Matters

There are no noted violations with such compliance requirements.

K.S.A. 12-1664 authorizes the financing from local sources for expenditures to be reimbursed by the federal government.

NOTE C- DEPOSITS AND INVESTMENTS

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk. Cash balances from all funds are combined and invested to the extent available in certificates of deposits and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under

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a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2018.

At year-end the carrying amount of the district's deposits, including certificates of deposit and money market accounts was \$1,221,712. The district checking account balance was \$1,140,215 and activity/agency operating accounts had a balance of \$60,506. Petty cash accounts were \$1500 and the related municipal entity had a balance of \$19,491. Any differences between the carrying amount and the bank balance are outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining balance was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the district's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a third-party custodial agreement signed by all three parties: the district, the pledging bank, and the independent third-party banks holding the securities.

Investment Policy

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit investment choices. Funds of the district were on deposit in interest bearing accounts in banks and Certificates of Deposits issued by banks at June 30, 2018.

The cash of each of the funds of the district is pooled together so that better management of cash and investments can be practiced, resulting in greater earnings accruing to the district. Please refer to Statement 1 to review how the various funds are accruing interest.

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE D- FRINGE BENEFIT PLAN I.R.C. 125/HEALTH INSURANCE PLAN

CAFETERIA PLAN

The District has in place an IRS-IRC Section #125 "Cafeteria" Fringe Benefit Plan. The options under the plan are salary reduction options. Eligible classified employees shall be included in the Plan and will follow IRS limits and guidelines for various applicable areas. Each teacher shall become a participant upon electing to be a participant as set forth in said plan and shall be subject to the rules and regulations of said plan. The terms and provisions of said plan shall be subject to being changed at any time by the mutual consent of the School District and the recognized professional negotiating unit of the teachers of U.S.D. No. 456. Provisions available are:

- Group Term Life Insurance (\$50,000 maximum)
- Disability Income Insurance
- Cancer Insurance
- Medical Reimbursement Accounts
- Dependent Care Reimbursement Accounts
- Vision Insurance
- Dental Insurance

NOTE E- CONTINGENT LIABILITIES

The District has not computed or recorded the potential liability for compensated absences.

NOTE F- COMPENSATED ABSENCES

Vacation is provided for all 12 month employees. Employees cannot carry any vacation forward. Sick leave accumulates at the rate of 9 days per year for all employees. A maximum of 65 days of sick leave can be accumulated. Employees are reimbursed at the end of each year at \$40 per day for all days accumulated over 65 days.

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Melvorn, Kansas

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June 30, 2018

NOTE G- DEFINED BENEFIT PENSION PLAN

Plan description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for the Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB2052 during fiscal year 2017. The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30th was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year. The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The School District is responsible for the employer's portion of the cost for retired District employees. The School District received and remitted amounts equal to the statutory contribution rate, which totaled \$215,390 for the year ended June 30, 2018. The State of Kansas contributed 12.01% of covered payroll during fiscal year 2018, excluding the Group Death & Disability Insurance rate. During fiscal year 2019, the State of Kansas will contribute 13.21% of covered payroll. The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2018, received as of June 30th, was \$446,603,946.

Net Pension Liability

At June 30, 2018, the School District's proportionate share of the collective net pension liability reported by KPERS was \$2,650,364. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The School District's proportion of the net pension liability was based on the ratio of the School District's contributions to KPERS, relative to the total employer and nonemployer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE H- RISK FINANCING AND RELATED INSURANCE ISSUES

The district is exposed to various risks of loss related to torts; theft of, damage to; and destruction of assets; errors and omissions; injuries to employees; and nature disasters. The district continues to carry insurance for all risks of loss including workers compensation. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE I- FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value amounts for cash and cash equivalents approximate carrying amounts due to the short maturities of these instruments. Financial instruments that subject the district to significant concentration and credit risk consist of cash and cash equivalents. The district places its cash in market interest rate accounts and are insured fully by FDIC coverage and pledged securities with fair market value equal to or greater than its

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

cash and cash equivalents.

NOTE J- FIDUCIARY/TRUST TYPE FUNDS

The District does not currently have any of these funds in their financial statement FYE 6/30/18.

NOTE K- OTHER POST-EMPLOYMENT BENEFITS

As provided by K.S.A 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

NOTE L- IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$68,690 subsequent to June 30, 2018 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018.

NOTE M- LONG-TERM DEBT

The District has no long term debt issued currently.

NOTE N- CAPITAL PROJECT COMPLIANCE

The District currently has no capital projects being undertaken.

NOTE O- LITIGATION CONTINGENCIES

The District currently has no litigation contingencies that it is involved in.

NOTE P- COMMITMENT AND CONTINGENCIES

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the District at June 30, 2018.

NOTE Q- SUBSEQUENT EVENTS

These financial statements considered subsequent events through December 10, 2018 the date the financial statements were available to be issued.

NOTE R- RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the district carries insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note S- INTER-FUND TRANSACTIONS

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue, to the fund authorized to expend the revenue, have been segregated from normal revenues and expenditures for reporting purposes are are:

FROM	TO	2018	2017
General	Special Education	320,065	334,413
General	Vocational Education	162,929	174,236
General	At Risk K-12	272,085	297,610
General	Food Service	8,077	38,427
General	Proessional Development	4,000	4,116
General	SCO	69,120	45,163
General	Contingency Reserve	30,000	45,606
General	KPERS	0	139,733
	Totals	866,276	1,079,304
Supplemental General	Food Service	43,381	0
Supplemental General	Driver Ed	3,000	2,227
Supplemental General	At Risk K-12	20,000	8,096
Supplemental General	At Risk 4 Year Old	24,036	0
Supplemental General	Textbooks	10,079	0
Supplemental General	Special Education	0	124,647
Supplemental General	Food Service	0	30,530
Supplemental General	Vocational Education	40,501	7,500
Supplemental General	Proessional Development	0	4,115
Supplemental General	Special Education	20,000	0
	Totals	160,997	177,115
Contingency Reserve	Supplemental General	30,000	0
	Grand Totals	1,057,273	1,256,419

The above transfers are included in the expenditures of the disbursing fund and included in the revenues of the receiving fund as required by the Cash Basis and Budget Laws of Kansas, and for budget comparison purposes.

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note T - INTER-GOVERNMENTAL ASSISTANCE STATE

<u>Type of Aid</u>	<u>2018</u>	<u>2017</u>
General State Aid	\$ 1,574,539	1,698,622
Supplemental General State Aid	196,042	253,997
Professional Development	555	0
Mentor Teacher	990	0
State Safety Driver's Ed	896	1,536
State Food Service	1,311	1,317
Special Education	287,289	286,976
School District Mill Levy	401,095	419,610
Technical Ed Transportation	5,316	5,055
Extraordinary Declining Enrollment	147,667	0
Teacher and Admin Fee	0	46
School Wellness	0	150
KPERS Employer Cont.	215,390	139,733
Totals	2,831,090	2,807,042

Note T - INTER-GOVERNMENTAL ASSISTANCE FEDERAL

<u>Type of Aid</u>	<u>2018</u>	<u>2017</u>
Title I Fund	\$ 77,135	85,700
Youth Risk Behavior	595	1,000
Reserve Fund	800	0
Special Ed	1,926	0
Title II Improving Teacher Quality	9,059	11,126
Food Service	79,246	84,209
Totals	168,761	182,035

Federal programs in which the school district participated have specified for what purpose funds are to be expended. All funds unexpended at June 30, 2018 are restricted to federal program specified expenditures.

**REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION**

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

STATEMENT 2

Fund	Statement Number	Certified Budget		Adjustments To Comply With Legal Max		Adjustments For Qualifying Budget Credits		Total Budget For Comparison		Expenditures Chargeable To Current Year		Variance Over (Under)	
General Funds:													
General Fund	3-1	\$	2,523,824	\$	(113,234)	\$	37,407	\$	2,447,997	\$	2,447,997	\$	(0)
Supplemental General	3-2		670,000		0		0		670,000		670,000		0
Special Purpose Funds:													
Career & Post Secondary Ed	3-3		202,000		0		0		202,000		187,929		(14,071)
Special Education	3-4		579,000		0		0		579,000		466,149		(112,851)
Driver Training	3-5		8,820		0		0		8,820		3,708		(5,112)
Food Service	3-6		205,000		0		0		205,000		199,620		(5,380)
Capital Outlay	3-7		390,000		0		0		390,000		152,808		(237,192)
Professional Development	3-8		15,000		0		0		15,000		3,951		(11,049)
Gifts and Grants	3-9		7,000		0		0		7,000		2,927		(4,073)
Kpers Retirement	3-10		215,888		0		0		215,888		215,390		(498)
At Risk (K-12)	3-11		305,500		0		0		305,500		255,885		(49,615)
Recreation Commission	3-17		19,278		0		0		19,278		19,278		0
Virtual Education	3-18		1,000		0		0		1,000		0		(1,000)
At Risk (4 Year Old)	3-19		24,036		0		0		24,036		0		(24,036)
TOTALS		\$	5,166,346	\$	(113,234)	\$	37,407	\$	5,066,483	\$	4,625,642	\$	(440,841)

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-1

GENERAL FUND

	Current Year			
	Prior Year Actual Transactions	Actual Transactions	Budget	Variance Over (Under)
Cash Receipts				
Suppl. Gen. State Aid	\$ 0	\$ 0	\$ 0	\$ 0
Reimbursements	0	0	0	0
Delinquent Tax	0	0	0	0
State Equilization Aid	2,118,233	1,975,634	2,016,237	(40,603)
Other/Transfer	286,976	287,289	147,667	139,622
Special Education Aid	0	147,666	359,920	(212,254)
KPERS State Aid	139,733	0	0	0
Interest Idle Funds	6,892	0	0	0
Reimbursements	22,823	37,407	0	37,407
Operating Transfers	0	0	0	0
Total Cash Receipts	\$ 2,574,657	\$ 2,447,996	\$ 2,523,824	\$ (75,828)
Expenditures				
Instruction	\$ 552,613	\$ 644,348	\$ 581,867	\$ 62,481
Student Support Services	35,722	30,300	34,600	(4,300)
Instructional Support Staff	29,821	501	2,300	(1,799)
General Administration	196,214	192,360	207,800	(15,440)
School Administration	255,998	285,455	270,000	15,455
Central Support Service	26,206	26,418	28,100	(1,682)
Operations and Maintenance	304,504	313,885	323,766	(9,881)
Student Transportation Services	94,274	88,454	110,400	(21,946)
Other Supplemental Service	0	0	0	0
Operating Transfers	1,079,304	866,275	851,757	14,518
Adjustment For Legal Max	0	0	0	0
Adjustment for Reimbursements	0	0	37,407	(37,407)
Total Expenditures	\$ 2,574,656	\$ 2,447,997	\$ 2,447,997	\$ (0)
Receipts Over (Under) Expenditures	1	(1)		
Unencumbered Cash - Beginning	0	1		
Unencumbered Cash - Ending	\$ 1	\$ 0		

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

SUPPLEMENTAL GENERAL FUNDSTATEMENT 3-2

	Prior Year Actual Transactions	Current Year		
		Actual Transactions	Budget	Variance Over (Under)
Cash Receipts				
Taxes in Process	\$ 338,347	\$ 415,687	\$ 0	\$ 415,687
Ad Valorem	0	0	18,454	(18,454)
Delinquent Tax	17,782	23,541	6,474	17,067
Motor Vehicle Tax/16-20/Commercial	30,262	31,158	34,609	(3,451)
Recreational Vehicle Tax	959	994	830	164
Miscellaneous	0	0	0	0
State Aid	253,997	196,042	195,640	402
Reimbursement	0	0	0	0
Operating Transfers	0	30,000	30,000	0
Total Cash Receipts	\$ <u>641,347</u>	\$ <u>697,423</u>	\$ <u>286,007</u>	\$ <u>411,416</u>
Expenditures				
Instruction	\$ 421,229	\$ 435,810	\$ 436,000	\$ (190)
Student Support Service	14,151	8,982	10,000	(1,018)
General Administration	0	0	0	0
Support Service	0	0	0	0
Operation and Maintenance	57,505	64,211	79,000	(14,789)
Transportation	0	0	0	0
Operating Transfers	177,115	160,997	145,000	15,997
Adjustment For Legal Max	0	0	0	0
Total Expenditures	\$ <u>670,000</u>	\$ <u>670,000</u>	\$ <u>670,000</u>	\$ <u>(0)</u>
Receipts Over (Under) Expenditures	(28,653)	27,423		
Unencumbered Cash - Beginning	<u>30,937</u>	<u>2,284</u>		
Unencumbered Cash - Ending	\$ <u>2,284</u>	\$ <u>29,707</u>		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-3

CAREER AND POST SECONDARY ED FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aide	0	0	5,139	(5,139)
Operating Transfers	0	0	0	0
Micellaneous Revenues	5,055	0	0	0
Operating Tranfers	\$ 181,736	\$ 203,429	\$ 190,000	\$ 13,429
Total Cash Receipts	\$ 186,791	\$ 203,429	\$ 195,139	\$ 8,290
Expenditures				
Instruction	182,908	187,815	201,200	(13,385)
Salaries	0	0	0	0
Employee Benefits	0	0	0	0
Supplies	0	0	0	0
Other	0	0	0	0
Operations & Maintenance	164	114	800	(686)
Purchased Property Service	0	0	0	0
Supplies, Utilities	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 183,072	\$ 187,929	\$ 202,000	\$ (14,071)
Receipts Over (Under) Expenditures	3,719	15,500		
Unencumbered Cash - Beginning	11,281	15,000		
Unencumbered Cash - Ending	\$ 15,000	\$ 30,500		

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-4SPECIAL EDUCATION FUND

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Other Local	\$ 0	\$ 1,926	\$ 4,500	\$ (2,574)
Miscellaneous Revenues	12,844	19,460	0	19,460
Operating Transfers	459,060	340,065	409,970	(69,905)
Total Cash Receipts	\$ 471,904	\$ 361,451	\$ 414,470	\$ (53,019)
Expenditures				
Instruction	\$ 447,264	\$ 462,864	\$ 575,000	\$ (112,136)
Student Support Services	3,856	1,543	4,000	(2,457)
Student Transportation Services	652	1,743	0	1,743
Total Expenditures	\$ 451,772	\$ 466,149	\$ 579,000	\$ (112,851)
Receipts Over (Under) Expenditures	20,132	(104,699)		
Unencumbered Cash - Beginning	334,567	354,699		
Unencumbered Cash - Ending	\$ 354,699	\$ 250,000		

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-5DRIVER TRAINING FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 1,536	\$ 896	\$ 2,800	\$ (1,904)
Miscellaneous Revenues	0	56	0	56
Operating Tranfers	2,227	3,000	0	3,000
Total Cash Receipts	\$ 3,763	\$ 3,952	\$ 2,800	\$ 1,152
Expenditures				
Operating Tranfers	\$ 0	\$ 0	\$ 0	
Instruction	3,222	3,677	7,646	(3,969)
Maintenance Service	95	31	1,174	(1,143)
Total Expenditures	\$ 3,317	\$ 3,708	\$ 8,820	\$ (5,112)
Receipts Over (Under) Expenditures	446	244		
Unencumbered Cash - Beginning	5,574	6,020		
Unencumbered Cash - Ending	\$ 6,020	\$ 6,264		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-6

FOOD SERVICE FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Aid	\$ 84,209	\$ 79,246	\$ 95,707	\$ (16,461)
State Aid	1,101	1,311	1,344	(33)
Charges for Service	34,802	37,089	47,005	(9,916)
Interest	0	16,351	0	16,351
Miscellaneous	12,373	13,964	0	13,964
Operating Transfers	68,957	51,459	50,000	1,459
Total Cash Receipts	\$ 201,442	\$ 199,420	\$ 194,056	\$ 5,364
Expenditures				
Food Service Operations	\$ 197,289	\$ 199,620	\$ 205,000	\$ (5,380)
Employee Benefits	0	0	0	0
Food & Supplies	0	0	0	0
Other	0	0	0	0
Total Expenditures	\$ 197,289	\$ 199,620	\$ 205,000	\$ (5,380)
Receipts Over (Under) Expenditures	4,153	(200)		
Unencumbered Cash - Beginning	36,047	40,200		
Unencumbered Cash - Ending	\$ 40,200	\$ 40,000		

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-7

CAPITAL OUTLAY FUND

	Current Year			
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Ad Valorem Tax/Prior	\$ 0	\$ 0	\$ 0	\$ 0
Delinquent Tax	102	74	0	102
Interest Income	427	1,910	0	427
Miscellaneous Revenue	33,172	39,011	0	33,172
Operating Transfers	45,163	69,120	50,000	(4,837)
Total Cash Receipts	\$ 78,864	\$ 110,114	\$ 50,000	\$ 28,864
Expenditures				
Instruction	\$ 9,888	\$ 32,039	\$ 25,000	\$ 7,039
Facility Acquisition and Construction Service	26,667	55,694	280,000	(224,306)
General Administration	19,846	65,076	85,000	(19,924)
School Administration	0	0	0	0
Operations and Maintenance	0	0	0	0
Total Expenditures	\$ 56,401	\$ 152,808	\$ 390,000	\$ (237,192)
Receipts Over (Under) Expenditures	22,463	(42,694)		
Unencumbered Cash - Beginning	422,617	445,080		
Unencumbered Cash - Ending	\$ 445,080	\$ 402,386		

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-8PROFESSIONAL DEVELOPMENT FUND

	Current Year			
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
State of Kansas	\$ 0	\$ 0	\$ 1,000	\$ (1,000)
Micellaneous Revenues	0	555	0	555
Operating Transfers	8,231	4,000	5,000	(1,000)
Total Cash Receipts	\$ 8,231	\$ 4,555	\$ 6,000	\$ (1,445)
Expenditures				
Salary	\$ 0	\$ 0	\$ 0	\$ 0
Instruction Support Staff	6,214	3,951	15,000	(11,049)
Other	0	0	0	0
Total Expenditures	\$ 6,214	\$ 3,951	\$ 15,000	\$ (11,049)
Receipts Over (Under) Expenditures	\$ 2,017	604		
Unencumbered Cash - Beginning	17,383	19,400		
Unencumbered Cash - Ending	19,400	\$ 20,004		

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-9GIFTS/GRANTS FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Miscellaneous	<u>10,412</u>	<u>21,780</u>	<u>0</u>	<u>21,780</u>
Total Cash Receipts	\$ <u>10,412</u>	\$ <u>21,780</u>	\$ <u>0</u>	\$ <u>21,780</u>
Expenditures				
Student Support Services	<u>7,789</u>	<u>2,927</u>	<u>7,000</u>	<u>(4,073)</u>
Total Expenditures	\$ <u>7,789</u>	\$ <u>2,927</u>	\$ <u>7,000</u>	\$ <u>(4,073)</u>
Receipts Over (Under) Expenditures	\$ 2,623	18,854		
Unencumbered Cash - Beginning	<u>12,162</u>	<u>14,785</u>		
Unencumbered Cash - Ending	<u>14,785</u>	\$ <u>33,639</u>		

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-10KPERS RETIREMENT FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid/Grants	\$ 139,733	\$ 215,390	\$ 215,888	\$ (498)
Transfers	0	0	0	0
Total Cash Receipts	\$ <u>139,733</u>	\$ <u>215,390</u>	\$ <u>215,888</u>	\$ <u>(498)</u>
Expenditures				
Instruction	\$ 96,265	\$ 146,465	\$ 146,804	\$ (339)
Student Support	1,258	2,800	2,807	(7)
Instruction Support Staff	1,311	2,154	2,159	(5)
General Administration	12,103	17,662	17,703	(41)
School Administration	11,652	17,231	17,271	(40)
Central Services	484	1,077	1,078	(1)
Operations and Maintenance	9,824	15,077	15,112	(35)
Student Transportation	2,902	6,462	6,477	(15)
Food Service Operations	3,934	6,462	6,477	(15)
Total Expenditures	\$ <u>139,733</u>	\$ <u>215,390</u>	\$ <u>215,888</u>	\$ <u>(498)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>		

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-11AT RISK (K-12) FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Miscellaneous Revenues	\$ 0	\$ 800	\$ 0	\$ 800
Operating Transfers	305,706	292,085	301,373	(9,288)
Total Cash Receipts	\$ 305,706	\$ 292,885	\$ 301,373	\$ (9,288)
Expenditures				
Instruction/Support	304,444	255,885	305,500	(49,615)
Operations and maintenance	0	0	0	0
Total Expenditures	\$ 304,444	\$ 255,885	\$ 305,500	\$ (49,615)
Receipts Over (Under) Expenditures	1,262	37,000		
Unencumbered Cash - Beginning	9,738	11,000		
Unencumbered Cash - Ending	\$ 11,000	\$ 48,000		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

CONTINGENCY RESERVE FUND

STATEMENT 3-12

	Prior Year 2017	Current Year 2018
Transfer	\$ <u>45,606</u>	\$ <u>30,000</u>
Expenditures	<u>0</u>	<u>30,000</u>
Receipts Over (Under) Expenditures	45,606	0
Unencumbered Cash - Beginning	<u>216,243</u>	<u>261,849</u>
Unencumbered Cash - Ending	\$ <u>261,849</u>	\$ <u>261,849</u>

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

	<u>TITLE I FUND</u>	<u>STATEMENT 3-13</u>
	Prior Year 2017	Current Year 2018
Cash Receipts		
Federal Sources	\$ 85,700	\$ 77,135
Transfers	0	0
Total Cash Receipts	<u>85,700</u>	<u>77,135</u>
Expenditures		
Instruction	<u>85,700</u>	<u>77,135</u>
Total Expenditures	<u>85,700</u>	<u>77,135</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-14TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	Prior Year 2017	Current Year 2018
Cash Receipts		
Transfer	\$ 0	\$ 2,165
Textbook Rental	2,368	10,079
Total Cash Receipts	<u>2,368</u>	<u>12,244</u>
Expenditures		
Textbooks	<u>2,077</u>	<u>12,495</u>
Total Expenditures	<u>2,077</u>	<u>12,495</u>
Receipts Over (Under) Expenditures	291	(251)
Unencumbered Cash - Beginning	<u>14,963</u>	<u>15,254</u>
Unencumbered Cash - Ending	\$ <u>15,254</u>	\$ <u>15,003</u>

#

This is not a budgeted fund.
See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

	<u>TITLE VI</u>	<u>STATEMENT 3-15</u>
	Prior Year 2017	Current Year 2018
Cash Receipts		
Federal Sources	\$ 10,090	\$ 0
Transfers	0	0
Total Cash Receipts	<u>10,090</u>	<u>0</u>
Expenditures		
Instruction	<u>10,090</u>	<u>0</u>
Total Expenditures	<u>10,090</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

	<u>TITLE IIA</u>	<u>STATEMENT 3-16</u>
	Prior Year 2017	Current Year 2018
Cash Receipts		
Federal Sources	\$ 11,125	\$ 9,059
Transfers	0	0
Total Cash Receipts	<u>11,125</u>	<u>9,059</u>
Expenditures		
Instruction	<u>11,126</u>	<u>8,519</u>
Total Expenditures	<u>11,126</u>	<u>8,519</u>
Receipts Over (Under) Expenditures	(1)	540
Unencumbered Cash - Beginning	<u>1</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>540</u>

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-17RECREATION COMMISSION

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Miscellaneous	<u>19,407</u>	<u>20,379</u>	<u>19,246</u>	<u>1,133</u>
Total Cash Receipts	\$ <u>19,407</u>	\$ <u>20,379</u>	\$ <u>19,246</u>	\$ <u>1,133</u>
Expenditures				
Student Support Services	<u>19,174</u>	<u>19,278</u>	<u>19,278</u>	<u>0</u>
Total Expenditures	\$ <u>19,174</u>	\$ <u>19,278</u>	\$ <u>19,278</u>	\$ <u>0</u>
Receipts Over (Under) Expenditures	\$ 233	1,101		
Unencumbered Cash - Beginning	<u>564</u>	<u>797</u>		
Unencumbered Cash - Ending	<u>797</u>	\$ <u>1,898</u>		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

VIRTUAL EDUCATION FUND

STATEMENT 3-18

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers	0	0	5,484	(5,484)
Miscellaneous	0	0	0	0
Total Cash Receipts	\$ 0	\$ 0	\$ 5,484	\$ 0
Expenditures				
Professional Services	450	0	1,000	(1,000)
Total Expenditures	\$ 450	\$ 0	\$ 1,000	\$ (1,000)
Receipts Over (Under) Expenditures	\$ (450)	0		
Unencumbered Cash - Beginning	2,375	1,925		
Unencumbered Cash - Ending	1,925	1,925		

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-19AT RISK (4 YEAR OLD) FUND

	Current Year			
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Federal Sources	\$ 0	\$ 4,006	\$ 4,006	\$ 0
Operating Transfers	0	20,030	20,030	0
Transfer from General	0	0	0	0
Total Cash Receipts	\$ 0	\$ 24,036	\$ 24,036	\$ 0
Expenditures				
Instruction/Support	0	24,036	24,036	0
Operations and maintenance	0	0	0	0
Total Expenditures	\$ 0	\$ 24,036	\$ 24,036	\$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	\$ 0	\$ 0		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2018

DISTRICT/SCHOOL AGENCY & ACTIVITY FUNDS

Funds:	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Outstanding Encumbrances & A/P	STATEMENT 4	
							Ending Cash	Balance
JH/HS Activity Funds								
Athletics	\$ 0	0	19,462	19,467	(5)	0	0	(5)
HS Girls Basketball	1,402	0	3,965	2,444	2,923	0	2,923	2,923
HS Football	258	0	3,907	1,977	2,188	0	2,188	2,188
HS Volleyball	821	0	50	680	191	0	191	191
JH Cheerleader	506	0	300	813	(7)	0	0	(7)
Cheerleaders	31	0	2,571	2,272	330	0	330	330
Book Rental	0	0	1,180	1,180	0	0	0	0
Library	310	0	209	187	332	0	332	332
Equipment	270	0	2,165	1,579	856	0	856	856
JH Art	97	0	0	0	97	0	97	97
Yearbook	851	0	1,220	119	1,952	0	1,952	1,952
Freedom Cookie Enterprises	76	0	0	0	76	0	76	76
Flower Fund	38	0	30	0	68	0	68	68
Field Trip Fund	171	0	0	0	171	0	171	171
Forensics	0	0	271	36	235	0	235	235
Scholars Bowl	0	0	300	300	0	0	0	0
Green Schools Grant	87	0	0	0	87	0	87	87
Pencils/Copies	169	0	50	50	169	0	169	169
Petty Cash	0	0	2,934	2,934	0	0	0	0
Student Services	1,096	0	542	1,007	631	0	631	631
L.L. McNabb Scholarship	3,050	0	1,219	1,000	3,269	0	3,269	3,269
Lawrence Lester McNabb Tech Sch.	5,500	0	0	0	5,500	0	5,500	5,500
Calvin Pegram Memorial Scholarship	1,065	0	0	0	1,065	0	1,065	1,065
W. Allison Scholarship	18	0	0	0	18	0	18	18
Elementary School Activity Funds								
Elementary Book Rental	0	0	805	755	50	0	50	50
Yearbook	0	0	300	300	0	0	0	0
Box Top	3,127	0	1,285	1,651	2,761	0	2,761	2,761
Student Activities	2,472	0	4,903	5,727	1,648	0	1,648	1,648

See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

Petty Cash	0	0	3,526	3,744	(218)	0	(218)
Pop	187	0	160	165	182	0	182
Fund Raiser	9,068	0	5,704	5,933	8,839	0	8,839
Music	457	0	259	7	709	0	709
Subtotal Activity Funds	31,127	0	57,317	54,327	34,117	0	34,117
Agency Funds							
Hot Lunch Clearing	0	0	50,849	50,849	0	0	0
JH Sturco	489	0	6,260	6,351	398	0	398
Letter Club	403	0	4,060	3,158	1,305	0	1,305
M Club	5,088	0	5,073	4,520	5,641	0	5,641
IHT	545	0	0	0	545	0	545
FFA	2,743	0	16,244	16,117	2,870	0	2,870
FCCLA	1,416	0	1,017	1,511	922	0	922
Student Council	1,455	0	2,279	2,836	898	0	898
Music	439	0	568	759	248	0	248
FBLA	2,307	0	4,687	4,570	2,424	0	2,424
Drama	36	0	0	0	36	0	36
FACS	617	0	75	37	655	0	655
Class of 2017	0	0	2,108	1,509	599	0	599
Class of 2017	1,087	0	260	500	847	0	847
Class of 2018	5,268	0	13,526	18,661	133	0	133
Class of 2019	1,034	0	17,441	11,995	6,480	0	6,480
Class of 2020	752	0	1,603	277	2,078	0	2,078
Class of 2021	190	0	120	0	310	0	310
Subtotal Agency Funds	23,869	0	126,170	123,650	26,389	0	26,389
Total Activity/Agency Funds	\$ 54,996	0	183,487	177,977	60,506	0	60,506

See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2018
RELATED MUNICIPAL ENTITY

Funds:	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Outstanding Encumbrances & A/P	STATEMENT 5	
							Ending Cash Balance	
Melvorn Rec Commission	14,044	0	25,733	20,286	19,491	0	19,491	
Total District Trust Funds	14,044	0	25,733	20,286	19,491	0	19,491	

This is not a budgeted fund.
See Accountant's Report and Accompanying Notes

